

18th CONGRESS, }
1st Session. }

[94]

MEMORIAL

OF THE

Chamber of Commerce

OF THE

CITY OF PHILADELPHIA.

FEBRUARY 26, 1824.

Read, and referred to the committee of the whole House to which is committed the bill to amend the several acts for imposing duties on Imports.

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1824.

MEMORIAL.

To the Honorable the Senate and House of Representatives of the United States in Congress assembled,

The memorial of the Chamber of Commerce of the City of Philadelphia,

RESPECTFULLY SHEWETH:

That your memorialists, on behalf of the commercial community which they represent, beg leave to interpose their respectful remonstrance against a bill now pending in the House of Representatives, entitled "a bill to amend the several acts for imposing duties on Imports."

The well known object of that bill—to stimulate the manufactures of the United States—and its necessary tendency, in the judgment of a large portion of this people, to depress the agriculture and commerce of the country, form the inducements of your memorialists for asking the attention of Congress.

In a free country like the United States, all branches of lawful industry have a right to equal protection by the laws; there can be no inequality without favoritism, and no favoritism, without injustice. The constitution of the government having placed all the people on the same plane, its principles cease to operate, when the law elevates one portion, or depresses another; and, whether the equality of the citizens be disturbed by distinctions of person, or of property, is a matter of indifference.

That which might be a venial departure from those principles, in a small community, where the whole would sympathize with the prosperity of any considerable part, becomes otherwise in a confederation like this, whose members are large states, removed to a great distance from each other; destined, by nature, to different employments; incapable, under any legislation, of changing them; and subject, under a perverted legislation, to the extremity of distress in one state, while another is smiling in prosperity. In such a country, bounties to particular labor, are bounties to particular states, which other states pay, without partaking of the benefit. The design of the constitution, and the obligation of Congress, being to provide for the common defence, and *general* welfare of the United States, and the duty of *uniformity*, in the laws of the Union, being emphatically and repeatedly enjoined in that compact, your memorialists have no doubt that Congress will never lose sight of it; and as little that they will perceive

the destruction of all practical uniformity, even by a general law, if it be made partial, by the situation, the character, and the employment, of large portions of the country.

The universal opinion of well informed men, has now established it as a general rule, that the greatest degree of national wealth is to be obtained, by leaving every one to the unfettered use of his own labor, skill, and capital: for it is in this way that individuals, of whom nations are composed, attain to the greatest prosperity. Obvious, however, as this general truth now is, it has been long in coming to light; legislation has had its dark ages, as well as letters; and certainly they have continued longer to envelop the principles of national wealth, than they did to obscure the laws of science, or the beauties of literature. It is to be hoped that the dawn, which has tardily broken upon the world, in the department of trade, is not to be immediately overcast; and, particularly, that the clouds which are again to darken it, are not to proceed from a quarter where every thing else, in regard to government, lies in the broadest light. If legislation acts upon the subject of trade, which, after all, is more safely left to the law of man's nature, by which he is incessantly stimulated to do the best for himself, and therefore for his country, it should act for the removal of impediments and restrictions, not for the creation of them; so much more unerring, however, is this law of man's nature, than any political regulation, that it has been deemed the wisest course to abstain from public enactments altogether, and to leave the **Hive** to the industry and instinct of its laborers, without attempting to direct which cell shall be first filled, or to narrow the passage to one, or enlarge it to another, more than the wisdom of the laborers shall each for himself provide.

Whatever interference with the general freedom of trade is necessary for the purposes of revenue, and still further, whatever provisions have justly for their object to sustain the Government itself, by enabling it to withstand the shock of war, and with this view to promote, within its own bosom, the necessary resources for such a trial, all communities of men must submit to, and will submit to cheerfully. Laws enacted for these purposes, are necessary exceptions to the general rule—not exceptions to its truth, for it is true without exception—but exceptions to its application; they are the price which nations pay for their existence as such; they tend to diminish the production of wealth, but they do what, in every condition of the world, has been found as useful as to produce, namely, to secure the product. But, beyond this, the danger of legislative interference with trade, becomes extreme. Be the wisdom, and impartiality, and foresight, of the legislature, what they may, they are at no time, and under no circumstances, perfectly adequate to the task. The subject is beyond the scope of human intelligence, except when it is individually and personally applied to that limited space within which the individual moves; and, in this particular, trade differs little from the thousand other interests of the great family, which it is the ordinance of Heaven should be wrought out by the separate wisdom and exertions of

its members; with scarcely a consciousness how the work is produced, and with an utter inability on their parts to contrive the result before hand.

The practice of no foreign nation leads, as your memorialists submit, to a different conclusion. England has grown rich, in spite of her restrictions upon trade, and not by means of them; her wisest statesmen are desirous of removing them, and can trace with unerring certainty to their operation, a large part of the oppression under which the fundamental interest of that nation languishes, and is doomed to languish. But the fetters have entered into her flesh, and they cannot be removed without tearing away the flesh with them. Does the history of England, with the light of the present day, furnish an argument to the United States for embarking in the same career of bounties, prohibitions, and excises? England is the great example of their mischief. She is emphatically the example of all that individual skill, enterprize, and intelligence, can achieve for the production of wealth, and of all that perverted legislation can do to make it fruitless of national happiness. Her wisdom has perhaps been developed too late for her own good; it may possibly be not too late for us.

It is, therefore, the sentiment of your memorialists, which they beg leave respectfully to press upon Congress, that, beyond the limits of a fair resort to trade for the purposes of revenue, and the case of public necessity, or high public exigency, to prepare the country for the event of war, restrictive legislation upon trade, whether it be in the shape of prohibitions of one branch, or bounties to another, are eminently dangerous; and, to a community as extensive and diversified as this, severely unequal.

In submitting to Congress their remarks upon the bill in question, your memorialists will not touch upon the controversy—upon which more has been written than has been understood—concerning the comparative value of the application of capital in different ways. The wealth of a nation is the combined result of its application in every way in which private interest is promoted by applying it. They are sincere well-wishers to the manufactures of this country. They will always be happy to see them prosper, under that due prosecution of them, to which individual skill and capital, in the present state of the law, are perfectly competent. If they are not desirous of seeing them suddenly enlarged by the aid of the new tariff, it is, in part, because the benefit to the manufacturers themselves is by no means so necessary a consequence as is supposed; but it is principally, no doubt, because your memorialists are of opinion that such a tariff is *not* wanted for the purposes of revenue, nor for the existing manufactures of the country, and, above all, because its influence will be pernicious to the commerce and to the agriculture of the nation, both of which are entitled to the equal protection of Congress.

It is not wanted for the purposes of revenue. This is almost the only undisputed point among the various topics which are connected with the bill. It is frankly conceded by its friends, that, if passed into a law, it must diminish the revenue derived from imposts, and

that, from some other quarter, the government must make up the loss. So far, therefore, its opponents go upon conceded ground; and almost the only ground on which legislation, in regard to trade, is safe, is thus given up. Your honorable bodies will then be pledged, by the enactment of this law, to resort to that mode of raising revenue to which this people have been uniformly opposed, and to which they may be more justly opposed hereafter than heretofore. If the extent of duty prescribed by the tariff be essential to protect the manufacturer, and an excise be laid upon the manufacture equal to the duty which is lost, it seems to follow, necessarily, that the consumer must hereafter pay both the duty and the excise, one of which will remain in the pocket of the manufacturer, and the other, after an infinity of deductions for collection, reach the public treasury.

The tariff is *not* wanted for the existing manufactures of the country. Under laws which, from time to time, have been passed for their aid, all of them operating, nevertheless, as restrictions upon commerce, and a tax upon the cultivator and consumer, they have prospered, and now prosper. How little they partake of the evils under which the commerce and agriculture of the country now suffer, need not be remarked. It is at present the most flourishing branch of American industry. If there are exceptions, they are the consequence of the bounty heretofore given by law, which has tempted into the business persons who have not the capital, nor the skill, nor the economy, to pursue the business with profit. Something more than public bounty is necessary to the gainful prosecution of trade of any kind. Habits of close attention to business; skill in the application of all the known processes; genius in the invention of newer ones less costly, or more efficient; vigilance in detecting and providing for the wants and caprices of the consumer; and, above all, frugality in expenditure; these are indispensable to thrift in any trade; and how much they melt away under the sunshine of legislative favor, or, rather, how often this sunshine warms into temporary animation those to whom it cannot give vigor for the constant struggles of trade, let those say who have watched the operation of bounty laws in Europe. If the existing bounty be not sufficient to protect American manufactures, what amount will do it? They are already encouraged by a duty on cotton goods of 25 per cent. with a minimum estimate for the basis of the duty of 25 cents per square yard, which, on cotton goods, similar to those manufactured in this country, amounts from 35 to 70 per cent. on the cost; of 25 per cent. on cotton twist; of 20 per cent. on cutlery and hardware; of 30 per cent. on cut glass; 20 per cent. on plain glass; and upwards of 20 per cent. on window glass; of 15 dollars per ton on Russia and Swedish iron, in bars and bolts; of 30 dollars per ton on rolled bars and bolts; and of 50 dollars per ton on hoop, sheet, and rod iron; of 20 per cent. on spades and shovels; of 30 per cent. on paper and paper-hangings; of 25 per cent. on woollen goods, and of 30 per cent. on manufactures of leather; besides all the advantage arising from the charges on the foreign articles, from inland carriage, shipping expenses, freight, insurance, and exchange;

amounting, in the article of Swedish iron, to about 75 per cent. of its cost at the mines.

The perfectly well known prosperity of some of the manufacturing establishments of this country, is, however, a better argument than any derived from the amount of duty and charges on the foreign fabric; for if, to refer to one case alone, a joint stock company in the vicinity of Boston, is, and for some time past has been, able to make a dividend of annual profits, exceeding twice or three times the ordinary interest of money, maintaining and improving its capital at the same time, where is the necessity for further aid? Do others want their skill? Then it is skill that is wanted, and not public bounty. Are others deficient in their vigilance, their economy, their activity? Let these be acquired, and they will abundantly supply the place of a new tariff. Is capital wanting? How does this square with the allegation, that capital is lying dead to an immense amount, because it cannot be employed? What is done so regularly by one manufacturer, may be done, with similar means, by more; and the means are not to be given by the law, but by the manufacturer.

The influence of the tariff will be pernicious to the commerce of the country. This branch of industry has confessedly suffered more than any other by the events of recent years; it has borne its disasters patiently; they have been the inevitable consequences of events, which, although caused by man, man has neither, by action nor legislation, been able to prevent, and scarcely to mitigate. It is just now creeping again into life; and what is to be the effects of the new tariff? The effect is morally certain; so much so, as almost to infer the intention in those who promote the cause: it is to paralyze and deaden, by one blow, that portion of the commercial capital of this country, which is employed in the purchase, importation, and distribution, of all that the new tariff shall exclude from the country; the ships which are built and navigated for its carriage—the numerous artisans who are employed in their equipment—the seamen who man them, and the fixed capital invested in wharves, warehouses, and other property, created as facilities to trade. Your honorable bodies will not look for a detail of these effects, in a memorial; it has already been given to the public in various forms, and shewn to be of immense magnitude; no cure, no alleviation, is suggested for this; one arm of the nation will either be cut off, or maimed, for ever, under the vain expectation of promoting a better circulation in the other.

But, above all, will the influence of the new tariff be prejudicial to the interest of the agricultural states? This interest is one with which your memorialists may be thought to have no intimate concern, since their personal relations are exclusively with commerce; but, the wealth, the harmony, the duration of this great republic, are interesting to all its citizens; and they who wish, as your memorialists do, that it may be perpetual, must wish to see it administered upon principles of impartial justice to all, by which alone its perpetuity can be secured. What will be the effect of a prohibition of foreign merchandise, as extensive as that now to be effected, but an imme-

diate reduction in value of the labor and capital of the cultivator, to the whole extent of the increased price that he must give for the American manufacture? The evil, to him, is without compensation; the value of his crops he loses, precisely to the extent in which the manufacturer gains; he has no means of warding off, or breaking the blow. His capital is unconvertible—it is fixed for ever in the one employment of agriculture. He cannot participate in the golden harvest of manufactures, if it is to be a golden harvest. His habits, his situation, his working hands, are all unfit for the loom and the spindle. He has heretofore sold for as much as he could, and bought for as little as he could, and at such markets as he pleased, in the enjoyment of that liberty which was the great end of the constitution. He is hereafter to buy in one market only, at such prices as a market without foreign competition will charge: and he may sell as he can, when foreign nations shall act upon the principle of taking no more from us, than we do from them.

Your memorialists have found themselves unable to assent to the reasoning, by which these evils of the non-importation system are obviated. They cannot conceive, that it is for the interest of this community to give more for an American fabric, than for one that is made abroad; to pay a higher price for labor here, than they can purchase it for elsewhere. They cannot believe, that the effect of the tariff is to raise the price only for a short time, and then to bring it down for ever below its former range. There is no experience to justify the assertion. The reduction of low priced cotton, since the last tariff, is well explained by other circumstances—the fall of the raw material, the diminution of the price of labor, improvements in machinery, stagnation of trade; And are not the manufacturers asking, by this very bill, for an increase of duty on the cottons, with which it is said they can compete with Great Britain in a foreign market! The history of our duty laws, since the adoption of the Constitution, shows that the aid of the tariff has been constantly asked by the manufacturers, and never given back. The duty on cotton goods, which, in 1790, was five per cent., in 1798 and 1800 became $12\frac{1}{2}$; in 1804, by the Mediterranean duty, 15; in 1816 and 1818, after the war duties were at an end, 25 per cent. with a minimum valuation of 25 cents the square yard; and now, the proposition is to impose a duty of 25 per cent. with a minimum valuation of 35 cents the square yard. Certainly this has not the appearance of a temporary arrangement, to give American manufactures the opportunity for development. When have the manufacturers, here or in England, been contented, or able to part with a bounty which the law has once given them?

Your memorialists are also unable to comprehend how the country is to be benefitted by enticing into manufactures that capital which it is said now lies unemployed. What difference is it to the country, whether the capital lies unemployed, or its employment is paid for by an additional charge upon the consumer? If it is unemployed, the capitalist bears the loss: if it is employed in manufactures, which are sold at an enhanced price, the consumer bears the loss. In the one

case, the capitalist loses his interest; in the other, the consumer pays it, by paying just so much more than he would have paid if the capital had been unemployed, and he had purchased at a foreign market. The country is in no respect a gainer by the employment. It is not intended by your memorialists to say that there is not much unemployed capital in the country. Much of it, however, is of a kind that cannot be converted into manufactures, and that part which can, can only be converted by that slow and healthful absorption which is made from day to day, in a system that is left to the care of nature.

But, if manufactures are to attract to themselves the capital which now lies unemployed, your memorialists would ask what is to be the fate of that capital now employed in commerce, and which the tariff is to displace? It certainly is not within the contemplated effects of the tariff to increase the consumption of manufactures by increasing their price. The quantity will, at all events, be no greater than heretofore; and, if this shall be the case, what the new manufactures take up, the present commerce must give out, with this disadvantage, that much of what it gives out must be lost, because it cannot be converted into any thing else.

So plain are these consequences, in the apprehension of your memorialists, that they cannot but presume they are in the contemplation of those who espouse the new tariff, and that it is intended, by this portentous bill, to change the relations of the United States with the whole world; to compel her to manufacture all she consumes; to depend for nothing upon a foreign country, which it is physically possible for her to make, and to withdraw her sanction from those mutual relations of dependence and exchange, upon which the refinement and the happiness of the world have been heretofore supposed to depend. If this shall be the work of the nation, acting without the control or guidance of the law, it may then be inferred to be the best thing for the nation; but, under the control of the law, your memorialists confidently believe that this effect will never be produced.

They cannot believe that commerce and agriculture are to sink into insignificance, and that manufactures, like Aaron's rod, are to swallow them both up.

If this unsocial independence is to become the idol of the United States, it is worthy of consideration how far foreign powers, and particularly Great Britain, may think it expedient to practice upon the same principle. If we take nothing from her, she may take nothing from us. She will certainly take nothing from us if she can obtain the same thing from her own colonies, or from a friend that will, at the same time, become a customer. If the cottons of the United States average half a million of bags annually, beyond the domestic consumption, bringing to the cultivator upwards of 20 millions of dollars, at low prices; if not more than 50,000 bales are returned upon us in manufactured goods, from all the world; if our tobacco amounts to nearly one hundred thousand hogsheads, beyond domestic consumption, producing to the grower eight or nine millions of dollars; if the returns for these values, now made in foreign fabrics, are

not to come hereafter in that shape, the United States must prepare not to see them come at all. They must prepare to see the East Indies, the Brazils, the Black Sea, every quarter of the habitable globe, stimulated by bounty to itself, and by restriction upon us, to take our place in the markets of Europe, and to leave these commodities upon our hands; to leave in our docks, to perish, the two hundred thousand tons of shipping employed in their carriage; to lose the six or seven millions of dollars of freight which they earn; to turn over to beggary the ten thousand seamen employed in their navigation; and the ship builders boat builders, blacksmiths, sailmakers, ropemakers, riggers, caulkers, joiners, and other artisans, employed in their construction. This day of downfall to the United States your memorialists do not anticipate; but it is because they do not anticipate the success of that policy which seems to lie at the foundation of the new tariff.

At the conclusion of these evils, your memorialists do not hesitate to mention the moral effect of the proposed tariff, as not being among the least of its disastrous tendencies to this community. It is unquestionably true, that, so wisely, for the most part, have the legislature of the Union proportioned the duties to the ability of fair trade, that in no nation upon earth is there less evasion of the law by smuggling. Yet, a coast and country better adapted for it are not to be found; and effectually to prevent it would require the supervision of a line of frontier amounting to more than three thousand miles. Man is, unhappily, such as circumstances make him; and there is a bounty under which crimes will flourish, as well as manufactures. Far less than the duties of the proposed tariff would, it is apprehended, give a munificent reward to the smuggler. Spain was, and is, a country of prohibitions, of restrictive duties, and monopolies. According to Bourgoanne, the government lost, by smuggling, seventy per cent. of its imposts; and notwithstanding the immense numbers employed to guard the revenue, a single neighboring nation carried on a contraband trade with that country to the enormous value of twenty millions of piastres annually.

In the late war between the United States and Great Britain, short as it was, and with but little time for the preparations which unlawful trade requires, even more than lawful, the introduction of contraband goods, from the Canada frontier, was open, notorious, and daring, notwithstanding it united almost the guilt of treason with that of smuggling. Your honorable bodies cannot but know how dangerous it is to enlist even a prejudice, if it be a general one, in favor of a violation of law; and how vain it is to legislate against the habits, the interests, and particularly the passions, of a large body of people.

Your memorialists cannot conclude without submitting to Congress, that some of the provisions of the bill referred to, seem as if directly aimed at the existence of foreign commerce, by striking at its most important element—that of ship building—as it raises the duty on foreign hemp from thirty dollars per ton, to two cents per pound; and, consequently, the increased price of cordage will fall on the builder of ships, without a collateral advantage to any one. These

charges, with the duties on duck, iron, chain cables, and ship-chandlery, are estimated to enhance the cost of building a ship of 300 tons, from the sum of six hundred, to one thousand dollars. The *real* effect of many of the provisions of the bill is, moreover, different from the *apparent* one; many calculations have been made to shew this. Duties on woollen and cotton goods, which are nominally 30 and 25 per cent. extend from those duties to upwards of one hundred per cent.; and the cheaper the article is abroad, the heavier is the duty. The operation of the law must, consequently, fall with most severity on the poorer classes, who will pay a duty of from thirty to one hundred per cent., and more, on their coarse cottons and woollens, while the rich will pay the uniform duty of twenty-five and thirty per cent. on their finest cotton fabrics and broad cloths.

To the principle of the law your memorialists are, however, more opposed, than to its details. It seems to them to be a political theory, under the name of a duty bill; and *that* a theory, which both argument and experience have exploded—the theory, that Government knows better than an individual what is good for him, and can better employ his skill, his labor, and his capital; that it is wiser, and more economical, to buy dear of our own people, than cheap of foreigners; and that it is competent, in these times, for a nation to grow wealthy and happy, with her gates opening outwards to sell every thing, but to buy nothing.

Your memorialists, therefore, respectfully pray, that Congress will not pass the Tariff Bill into a law.

By order of the Chamber,

ROBERT RALSTON, *President.*

Attest,

JNO. VAUGHAN, *Secretary.*

Philadelphia, Feb. 23, 1824.

